International and Intergovernmental Relations

BUSINESS PLAN 2004-07

ACCOUNTABILITY STATEMENT

The Business Plan for the three years commencing April 1, 2004 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of February 27, 2004 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

[original signed]

Halvar C. Jonson, *Minister of International and Intergovernmental Relations*
March 2, 2004

THE MINISTRY

The Ministry of International and Intergovernmental Relations consists of three main sections: Canadian Intergovernmental Relations, International Relations, and Trade Policy. Collectively, these sections seek to ensure that Alberta's relations with other governments in Canada and abroad are coordinated and consistent with the priorities of the Government of Alberta. The Ministry is a single entity and does not have any agencies or boards as part of its operations.

104-05805/

LINK TO THE GOVERNMENT BUSINESS PLAN

The Ministry's core businesses and goals are aligned with and support a number of government goals and key administrative initiatives. In particular, International and Intergovernmental Relations plays a key role in the government's Goal 7 – *Alberta will have a prosperous economy* and Goal 8 – *Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada.*

VISION

A strong Alberta, active in an open world and in a prosperous, united Canada.

MISSION

To lead the development of government-wide strategies and policies for Alberta's relations with international governments and organizations and with federal, provincial and territorial governments in Canada.

CORE BUSINESSES

Core Business 1: Canadian Intergovernmental Relations

Goal 1 - Promoting the interests of, and securing benefits for, Alberta as an equal partner in a revitalized, united Canada

Core Business 2: International Relations

Goal 2 - Promoting the interests of, and securing benefits for, Alberta from strengthened international relations

Core Business 3: Trade Policy

Goal 3 - Promoting the interests of, and securing benefits for, Alberta from greater trade and investment liberalization, domestically and internationally

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

- The creation of new intergovernmental institutions and frameworks, such as the Council of the Federation and the Alberta-British Columbia Protocol of Cooperation, along with annual First Ministers' Meetings, will provide opportunities for Alberta and other provinces to work collaboratively and to influence the national agenda.
- Prime Minister Martin's pledge to address the issue of western alienation offers opportunities and challenges for the pursuit of Albertans' priorities and expectations with the federal government.
- Premier's international missions will create opportunities to open new markets for Alberta, and to better compete in the international marketplace.
- The opening of an Alberta Office in Washington, D.C. will help build relationships with American decision makers and advance Alberta's interests.
- Alberta will continue to manage implications of a dynamic international environment, such as ongoing international terrorism and the unexpected developments we saw in 2003 (e.g., the Iraq War, SARS, BSE).
- Maintaining and improving Alberta's relations with the United States will continue to be a key focus of Alberta. This will be a challenge with the pending United States elections in 2004 and United States protectionism.
- The unsuccessful World Trade Organization Ministerial Conference in Cancun in September 2003 makes a conclusion of the World Trade Organization negotiations by January 2005 more difficult.
- Nation-wide progress on internal trade matters will depend on reinvigorated provincial enthusiasm as initiated by the Premiers through the Council of the Federation. Bilateral trade agreements between Alberta and like-minded provinces will be an option as well.
- A conclusion to the softwood lumber dispute with the United States will be affected by the outcome of ongoing North American Free Trade Agreement and World Trade Organization litigation, as well as the willingness of provinces to consider changes to their forest management practices and the receptiveness of the United States industry to those changes.

STRATEGIC PRIORITIES 2004-07

Through the Ministry's review of external and internal challenges, the strategic priorities described below have been identified. These are in addition to the important ongoing core activities of the Ministry.

1. **Successfully conducting and coordinating intergovernmental negotiations to advance Alberta's interests in Confederation.**

   Linkage: Goal 1 Important negotiations will include such issues as the operation of the Council of the Federation, health care, climate change, and fiscal arrangements. Alberta will be vice Chair of the Council of the Federation in 2004 and Chair in 2005.

2. **Successfully promoting Alberta by strengthening international relations.**

   Linkage: Goal 2 Major initiatives will include: working with the new federal government to refocus Canada's relations with the United States and enhancing bilateral relations (Premier's missions; Alberta's Washington D.C. Office; Alberta-Alaska Bilateral Council; Memorandum of Understanding with western Ukraine oblasts; 30th Anniversary of the Alberta - Gangwon, Korea twinning).

3. **Successfully participating in international negotiations to advance Alberta's interests with important trading partners (such as World Trade Organization negotiations, United States).**

   Linkage: Goal 3 Expanded trade liberalization and foreign market access for Albertans through international trade and investment agreements.

4. **Building upon and enhancing the benefits from the Agreement on Internal Trade with like-minded Canadian jurisdictions.**

   Linkage: Goal 3 Expanded Canadian internal trade liberalization which promotes the free flow of goods, services, capital and labour across Canada.

CORE BUSINESSES, GOALS, STRATEGIES AND MEASURES

Core Business One: Canadian Intergovernmental Relations

GOAL ONE

Promoting the interests of, and securing benefits for, Alberta as an equal partner in a revitalized, united Canada

What it means Effective participation by Alberta in the Canadian federation.

Strategies

- Advance Alberta's interests and ensure that Alberta's priorities are addressed at intergovernmental meetings of First Ministers, Ministers and officials.
- Provide policy analysis and strategies, and coordinate input from other Alberta ministries for Alberta's participation in annual First Ministers' Meetings, meetings of the Council of the Federation, and Ministerial meetings.
- Work with Alberta ministries to develop strategies for coordinated and consistent approaches to intergovernmental issues and processes.
- Assist Alberta ministries in the development of intergovernmental agreements, and review the agreements to ensure that they reflect Alberta's intergovernmental objectives and priorities.

What it means A federal system that better serves the needs of Albertans and Canadians.

Strategies

- Promote both interprovincial and federal-provincial solutions to improve the efficiency and effectiveness of the federation through the reduction of overlap and duplication between governments, the reform of institutions (e.g., the Senate) and the reform of federal-provincial financial arrangements.
- Promote federal-provincial solutions to redesign federal-provincial financial arrangements including the Canada Health Transfer, the Canada Social Transfer, equalization and cost-sharing arrangements.
- Work with Alberta ministries to develop strategies for Alberta's intergovernmental relations, to ensure Alberta plays a leadership role within the federation.
- Develop strategies and policy options, in conjunction with Alberta ministries, with respect to key intergovernmental policy issues such as climate change, Aboriginal governance, health care, education, social services, and urban issues.

What it means Effective leadership by Alberta that supports a strong, united and secure Canada.

Strategies

- Develop policy recommendations and strategies on national unity and other related issues as they emerge.
- Work with the federal government, other provinces, the private sector and other key stakeholders to update and strengthen coordinated policy responses to issues relating to the security of the province and people of Alberta.

Performance Measure	Last Actual (2002-03)	Target 2004-05	Target 2005-06	Target 2006-07
Public approval rating in federal/provincial relations compared to the average of the four nearest provinces	4% higher than average	at least at the average of the four nearest provinces		

Every second year, the Ministry's performance measures also include a client survey. The next client survey will be completed in spring 2005.

International and Intergovernmental Relations' goals are usually long term and their achievement is affected by external factors such as the economy and relations between governments. For these reasons, the Ministry's goals are often best measured in qualitative rather than quantitative ways. The chief qualitative measure used by the Ministry is the narrative account of achievements outlined in successive annual reports. Through narrative records, the Ministry outlines intergovernmental outcomes and events with a view to assessing how they contributed to the achievement of the province's objectives. For Goal 1, the narrative measures relate to the achievements at key intergovernmental conferences during the year such as Premiers' Conferences.

Also included as performance measures are intermediate outcomes/progress reports on major initiatives. For Goal 1, an example of such an intermediate outcome is the Provincial/Territorial Council on Social Policy Renewal Progress Report to Premiers.

Core Business Two: International Relations

GOAL TWO

Promoting the interests of, and securing benefits for, Alberta from strengthened international relations

What it means Intergovernmental relationships, which facilitate the two-way flow of goods, services, people and investment between Alberta and the United States.

Strategies

- Work with the federal government to refocus and strengthen Canada/United States relations.
- Establish an Alberta Office in Washington, D.C.
- Build and maintain alliances with key United States decision makers and organizations (e.g., Alberta-Alaska Bilateral Council).
- Provide strategic direction to new Alberta initiatives in the United States.
- Manage emerging issues related to Canada/United States integration (e.g., improved border practices, North American energy market).
- Work with other ministries and the private sector to enhance United States understanding of Alberta as a secure and reliable supplier of energy.
- Provide intelligence and policy advice to Alberta stakeholders on United States issues and developments.

What it means A strategic approach to Alberta's international relations that effectively promotes the province's interests and priorities to foreign governmental decision-makers.

Strategies

- Provide leadership and coordination for missions by the Premier and International and Intergovernmental Relations Minister; advise on other ministerial missions.
- Provide strategic advice to ministries and stakeholders under Alberta's International Strategy.
- Provide leadership on initiatives with Alberta's thirteen sister provinces (twinnings).
- Develop strategically focused programs that showcase Alberta's strengths to foreign visitors to Alberta.
- Provide information and advice to clients and partners (Alberta offices, Canadian posts, foreign embassies and consulates) so they can help profile Alberta.
- Support the work of the Advisory Council on Alberta-Ukraine Relations in enhancing bilateral relations with Ukraine.
- Assist Alberta ministries in the development of international government-to-government agreements that reflect Alberta's international objectives and priorities.
- Coordinate Alberta's input to federal foreign policy development.

What it means Effective contribution by Alberta to international development in the area of governance.

Strategies

- Work with Alberta ministries to share best practices with foreign partners.
- Develop partnerships in support of private sector and educational institutions pursuing projects funded by International Financial Institutions.
- Design, implement and manage governance projects, particularly in priority countries.

Performance Measures

As mentioned in Goal One, the Ministry's goals are often best measured in qualitative rather than quantitative ways. The chief qualitative measure for Goal 2 is the narrative account of achievements outlined in successive annual reports. Through these narrative records, the Ministry outlines international outcomes and events with a view to assessing how they contributed to the achievement of the province's objectives. Other narrative measures related to Goal 2 include:

- reports on Premier's international missions
- reports on Alberta's accomplishments at Canada/United States transboundary meetings
- newsletters by the International Governance Office, and the Advisory Council on Alberta-Ukraine Relations.

Every second year, a client survey is conducted as one of International and Intergovernmental Relations' performance measures for all goals. The next client survey will be completed in spring 2005.

Core Business Three: Trade Policy

GOAL THREE

Promoting the interests of, and securing benefits for, Alberta from greater trade and investment liberalization, domestically and internationally

What it means Expanded trade liberalization and foreign market access for Albertans through international trade and investment agreements.

Strategies

- Remove or reduce barriers to trade and investment through direct negotiation. Participate with the federal government in negotiations to ensure Alberta's objectives are addressed.
- Develop a formal federal-provincial agreement that stipulates full provincial participation in Canada's negotiation of agreements affecting provincial jurisdiction or interests.
- Consult and work with private and public sector organizations to promote and pursue the benefits of free trade.
- Manage government-wide implementation of the North American Free Trade Agreement, the World Trade Organization Agreement and other agreements. Anticipate and prevent disputes.
- Coordinate Alberta's approach to deeper integration of North American trade policies (e.g., "NAFTA-plus", streamlined North American Free Trade Agreement rules of origin, customs area).
- Coordinate Alberta's participation in World Trade Organization negotiations on issues involving provincial jurisdiction (e.g., environment, labour, agriculture, competition/business regulation, and services) and in other regional and multilateral negotiations (e.g., Free Trade Area of the Americas, Asia-Pacific Economic Cooperation).
- Manage disputes and defend Alberta's interests under the North American Free Trade Agreement, World Trade Organization and other agreements.
- Work with other Alberta ministries to implement the trade policy component of Alberta's international strategy in a targeted, coherent manner.

What it means Expanded Canadian internal trade liberalization which promotes the free flow of goods, services, capital and labour across Canada.

Strategies

- Remove or reduce barriers to internal trade, investment and labour mobility through direct negotiation with the federal government and other provinces and territories.
- Consult and work with private and public sector organizations to promote and pursue the benefits of free trade.
- Coordinate Alberta's participation in the Agreement on Internal Trade.
- Manage the government-wide implementation of the Agreement on Internal Trade. Anticipate and prevent disputes.
- Manage disputes and defend Alberta's interests in the Agreement on Internal Trade.
- Work with other Canadian governments to enhance domestic trade through bilateral and multilateral negotiations and other regional agreements.

Performance Measures	Last Actual (2002-03)	Target 2004-05	Target 2005-06	Target 2006-07
Softwood Lumber Dispute Resolution	New	A long term solution by December 31, 2005		
Public approval rating in federal/provincial relations compared to the average of the the four nearest provinces	4% higher than average	at least at the average of the four nearest provinces		

As mentioned in Goal 1, the Ministry's goals are often best measured in qualitative rather than quantitative ways. For Goal 3, the chief qualitative measure is the narrative account of achievements in international and internal trade negotiations, the management of trade disputes and the implementation of obligations in trade agreements. Intermediate outcomes include reports from international and domestic meetings of Ministers responsible for trade in which Alberta participated. Through these narrative records, the Ministry outlines trade policy outcomes and events with a view to assessing their contribution to the achievement of the province's objectives.

Every second year, a client survey is conducted as one of International and Governmental Relations' performance measures for all goals. The next client survey will be completed in spring 2005.

EXPENSE BY CORE BUSINESS

(thousands of dollars)

	Comparable 2002-03 Actual	Comparable 2003-04 Budget	Comparable 2003-04 Forecast	2004-05 Estimates	2005-06 Target	2006-07 Target
Canadian Intergovernmental Relations	2,375	2,576	2,576	3,530	3,531	3,533
International Relations	2,358	2,501	2,501	3,549	3,550	3,552
Trade Policy	1,327	1,391	1,391	1,420	1,423	1,424
MINISTRY EXPENSE	6,060	6,468	6,468	8,499	8,504	8,509

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable 2002-03 Actual	Comparable 2003-04 Budget	Comparable 2003-04 Forecast	2004-05 Estimates	2005-06 Target	2006-07 Target
REVENUE						
Other Revenue	9	-	-	-	-	-
MINISTRY REVENUE	9	-	-	-	-	-
EXPENSE						
Program						
International and Intergovernmental Relations	6,073	6,468	6,468	8,499	8,504	8,509
Valuation Adjustments and Other Provisions	(13)	-	-	-	-	-
MINISTRY EXPENSE	6,060	6,468	6,468	8,499	8,504	8,509
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(6,051)	(6,468)	(6,468)	(8,499)	(8,504)	(8,509)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable 2002-03 Actual	Comparable 2003-04 Budget	Comparable 2003-04 Forecast	2004-05 Estimates	2005-06 Target	2006-07 Target
Ministry Revenue	9	-	-	-	-	-
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	9	-	-	-	-	-
Ministry Program Expense	6,060	6,468	6,468	8,499	8,504	8,509
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**6,060**	**6,468**	**6,468**	**8,499**	**8,504**	**8,509**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(6,051)	(6,468)	(6,468)	(8,499)	(8,504)	(8,509)